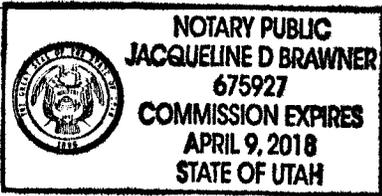




OATH OR AFFIRMATION

I, Gary W. Teran, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Western Advisors, as of December 31, 2016, 20\_\_\_\_, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]  
Signature  
President & CEO  
Title

Jacqueline D Brawner  
Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



**FIRST WESTERN ADVISORS**

**Report of Independent Registered  
Public Accounting Firm and  
Financial Statements**

**December 31, 2016**

**CRD #013623**

**FIRST WESTERN ADVISORS**

**Report of Independent Registered Public Accounting Firm  
and Financial Statements  
December 31, 2016  
CRD #013623**

# FIRST WESTERN ADVISORS

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders  
First Western Advisors  
Salt Lake City, Utah

We have audited the accompanying statement of financial condition of First Western Advisors as of December 31, 2016 and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of First Western Advisors management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Western Advisors at December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information included in Schedules 1, 2 and 3 (the "supplemental information") has been subjected to audit procedures performed in conjunction with the audit of First Western Advisors' financial statements. The supplemental information is the responsibility of First Western Advisors' management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Securities Exchange Act of 1934 Rule 17a-5. In our opinion, the supplemental information included in Schedules 1, 2 and 3 is fairly stated, in all material respects, in relation to the financial statements as a whole.

***BDO USA, LLP***

BDO USA, LLP  
Salt Lake City, Utah  
March 1, 2017

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDD Member Firms.

**FIRST WESTERN ADVISORS**  
**Statement of Financial Condition**  
**December 31, 2016**

Assets

**Current Assets**

Cash and Cash Equivalents	\$ 81,125
Commissions Receivable	693,813
Marketable Securities, at Fair Value	713,409
Prepaid Expense	17,910
Other Receivables	41,962
Total Current Assets	1,548,219

**Property and Equipment**

Property and Equipment, Net	70,836
-----------------------------	--------

**Other Assets**

Intangible Asset, net	400,621
Notes Receivable - Related Party	41,383
Deposits	73,282
Deferred Tax Asset	69,772
Total Other Assets	585,058
Total Assets	\$ 2,204,113

Liabilities and Stockholders' Equity

**Current Liabilities**

Accounts Payable	40,238
Commissions Payable	214,718
Accrued Liabilities	93,679
Current Deferred Tax Liability	55,951
Current Portion of Other Liabilities	66,755
Total Current Liabilities	471,341

**Other Liabilities**

Capital Lease Obligation	14,568
Note Payable - Black Book Purchase	262,745
Total Other Liabilities	277,313
Total Liabilities	748,654

**Stockholders' Equity**

Preferred Stock - 1,000,000 shares authorized, no par value	
Series A non-voting, 1,000,000 authorized, 792,000 issued and outstanding	792,000
Common Stock - 20,000,000 shares authorized, no par value	
Class A voting, 1,000,000 authorized, 500,000 issued and outstanding	-
Class B non-voting, 19,000,000 authorized, 9,500,000 issued and outstanding	-
Paid in Capital	5,000
Retained Earnings	658,459
Total Stockholders' Equity	1,455,459
Total Liabilities and Stockholders' Equity	\$ 2,204,113

See accompanying notes to financial statements

**FIRST WESTERN ADVISORS**  
**Statement of Operations**  
**For the Year Ended December 31, 2016**

<b>Revenue</b>	
Commissions	\$ 1,456,656
Investment Advisory Fees	2,317,642
Interest and Dividends	16,975
Other Revenue	136,388
Net Securities Losses	(5,711)
Total Revenue	<u>3,921,950</u>
<b>Expenses</b>	
Commissions, Employee Compensation, and Benefits	2,889,005
Floor Brokerage, Exchange, and Clearance fees	648,383
Communication and Data Processing	32,039
Occupancy	264,626
Interest	20,705
Professional Fees and Services	171,592
Other Expenses	172,557
Gain on Equipment Disposal	(1,463)
Total Expenses	<u>4,197,444</u>
Net Loss from Operations	<u>(275,494)</u>
Net Loss Before Income Taxes	(275,494)
<b>Income Tax Provision (Benefit)</b>	<u>(49,664)</u>
<b>Net Loss</b>	<u>(225,830)</u>
<b>Less Preferred Dividend</b>	<u>(49,500)</u>
<b>Net Loss Applicable to Common Shareholders</b>	<u>\$ (275,330)</u>
 <b>Net Loss per Share:</b>	
Basic and Diluted	<u>(0.02)</u>
Basic and Diluted Available to Common Shareholders	<u>(0.03)</u>
 Basic and Diluted Weighted Average Shares Outstanding	<u>10,000,000</u>

See accompanying notes to financial statements

**FIRST WESTERN ADVISORS**  
**Statement of Changes in Stockholder' Equity**  
**For the Year Ended December 31, 2016**

			Common			
	Preferred Shares	Preferred Stock	Shares	Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 2015	792,000	\$ 792,000	10,000,000	\$ 5,000	\$ 933,789	\$ 1,730,789
Preferred Stock Dividend	-	-	-	-	(49,500)	(49,500)
Net loss for the period ended December 31, 2016	-	-	-	-	(225,830)	(225,830)
Balance, December 31, 2016	<u>792,000</u>	<u>\$ 792,000</u>	<u>10,000,000</u>	<u>\$ 5,000</u>	<u>\$ 658,459</u>	<u>\$ 1,455,459</u>

See accompanying notes to financial statements

**FIRST WESTERN ADVISORS**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

Cash Flows from Operating Activities	
Net Loss	\$ (225,830)
Adjustments to reconcile Net Loss to net cash used in operating activities:	
Depreciation & amortization	68,880
Unrealized securities gains	(7,750)
Deferred tax benefit	(49,664)
Changes in operating assets and liabilities:	
Increase in commissions receivable	(54,606)
Increase in other receivables	(15,871)
Decrease in prepaid expenses	21,217
Increase in accounts payable	7,750
Increase in commissions payable	24,819
Decrease in accrued liabilities	(3,609)
Net Cash used in Operating Activities	<u>(234,664)</u>
Cash Flows from Investing Activities	
Purchase of equipment	(7,571)
Purchase of investments	(1,492,691)
Proceeds from sale of investments	2,049,543
Net Cash from Investing Activities	<u>549,281</u>
Cash Flows from Financing Activities	
Payment of margin debt, net	(48,802)
Increase in owner note receivable	(1,804)
Principal payments on capital lease	(7,457)
Principal payments on book purchase	(125,929)
Payment of preferred dividend	(49,500)
Net Cash from Financing Activities	<u>(233,492)</u>
Net Decrease in Cash	81,125
Beginning Cash Balance	-
Ending Cash Balance	<u><u>\$ 81,125</u></u>
Supplemental Disclosures:	
Cash paid for income taxes	100
Cash paid during the year for interest	20,705
Supplemental Disclosures of noncash investing and financing transactions	
Purchase of equipment on capital lease	21,264

See accompanying notes to financial statements

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE A      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Company Background

First Western Advisors is a Broker/Dealer offering various types of investment opportunities. The Company was incorporated under the laws of the State of Utah in July, 1982. The Company is registered as a Securities Broker/Dealer with the Securities and Exchange Commission [SEC] and is a member of the Financial Industry Regulatory Authority [FINRA]. The Company is headquartered in Salt Lake City, Utah and it maintains licensing and registration in a majority of the states in the United States.

Marketable Securities

Marketable securities are treated as trading securities for accounting purposes and are adjusted to fair value at the end of each accounting period, with the corresponding gains and losses recorded in the Statement of Operations. The fair value is based on the closing quote price of each individual security.

Commissions Receivable

The Company records commissions when earned. Commissions receivable are periodically reviewed to determine whether the amounts are collectible. Commissions receivable are written off when they are determined to be uncollectible. As of December 31, 2016, the allowance for doubtful accounts is \$0.

Income Taxes

The Company applies Financial Accounting Standards Board (FASB), ASC 740, "Income Taxes," which uses the asset and liability method of accounting for income taxes. The asset and liability method requires that the current or deferred tax consequences of all events recognized in the financial statements are measured by applying the provisions of enacted tax laws to determine the amount of taxes payable or refundable currently or in future years. The Company classifies interest and penalties related to taxes as Other Expenses. The Company recorded no interest or penalties for the year ended December 31, 2016.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and Marketing

The Company expenses advertising and marketing costs as they are incurred. The amount expensed for the year ended December 31, 2016 was \$1,068.

Revenue Recognition

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur. Investment advisory fees are billed quarterly in arrears but are recognized and accrued in the month they are earned.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Earnings per Share

In accordance with ASC Topic 260, "Earnings per Share," Basic earnings (loss) per common share is computed by dividing net income/(loss) available to common shareholders by the weighted average of common shares outstanding for the period. Net income/(loss) available to common shareholders represents net income/(loss) reduced by an allocation of cumulative preferred dividends. Diluted earnings per common share is calculated by adjusting the weighted average outstanding shares to assume conversion of all potentially dilutive common share equivalents. There are no common stock equivalents outstanding; thus, basic and diluted income or loss per share calculations are the same.

Statement of Cash Flows

For purposes of the statements of cash flows, the Company considers cash on deposit in the bank and money market funds, with original maturity of three months or less when purchased, to be cash.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

All of the instruments within financial instruments owned, including cash and marketable securities, are measured at fair value as required by accounting pronouncements. These instruments primarily represent the Company's investment activities and include both cash and marketable securities.

Depreciation

Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years. Leasehold improvements are amortized over the economic useful life of the improvement.

Intangible Assets

Identifiable intangible assets represent book purchases entered into by the Company. The book purchase is being amortized over its useful life, which is five years.

Certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The major provision of the update requires that lessees recognize assets and liabilities arising from leases previously classified as operating leases on the balance sheet. The provisions of the update are effective for financial statements issued for annual period beginning after December 15, 2018 with early adoption permitted. The Company is currently evaluating the impact of the provisions on its financial statements.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE B**      **CASH AND CASH EQUIVALENTS**

Cash is comprised of cash on deposit in the bank and money market funds through brokerage firms. The Company is insured by SIPC up to a ceiling of \$500,000, including a maximum of \$250,000 for cash claims. Balances above those thresholds would be a concentration risk.

**NOTE C**      **PROFIT SHARING PLAN/401K PLAN**

The Company maintains a defined contribution profit sharing plan and a 401K plan for its full-time employees. Contributions to these plans are discretionary. The Company contributed \$55,171 during 2016.

**NOTE D**      **SIGNIFICANT CONCENTRATIONS**

The Company is headquartered in Salt Lake City, Utah. It has no single customer that represents a significant portion of total revenue. Additionally, the Company maintains licensing and registration in a majority of the states in the United States. The Company receives commissions from various wholesalers. Commissions are accrued when the transaction occurs. Even though these are non-collateral receivables, they are not accrued until the wholesalers have received payment from the customer. Nonetheless, should the wholesalers fail to perform according to the terms of their agreement; the Company would be required to seek relief through the legal system as an unsecured creditor.

**NOTE E**      **MARKETABLE SECURITIES**

Marketable securities consist of trading and investment securities recorded at fair value as follows:

Mutual Funds	\$	12,409
Equity Securities		701,000
Total Marketable Securities	\$	<u>713,409</u>

The unrealized holding gain on trading securities for 2016 is \$7,750 which has been included in current earnings. The cumulative unrealized holding loss is \$83,534. The cost basis of the marketable securities is \$796,943. See Note M for fair value measurements.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE F LEASES

The Company entered into a lease agreement on February 15, 2013 for their current office space. The lease is for a seven-year term which will expire on November 30, 2020 with current monthly rent of \$20,687. Office rent expense for 2016 was \$261,344 which included additions for operating expense overages. The Company recognizes rent on a straight-line basis over the term of the lease. As of December 31, 2016, the rent escalation accrual balance was \$81,499.

The following is a schedule by years of future minimum lease payments required by operating leases.

<u>Year</u>	<u>Required Minimum Lease Payments</u>
2017	251,341
2018	258,879
2019	266,665
2020	251,382
Total	<u>\$ 1,028,267</u>

The Company has a capital lease for office equipment with an implied interest rate of 12% due in monthly installments of \$473 through January 2021. As of December 31, 2016 the Company had a liability of \$18,252. This obligation is secured by the equipment. The balance sheet includes \$21,264 in equipment under this capital lease with accumulated depreciation of \$3,730. Depreciation on the asset for the year is \$3,730. This balance is included with other equipment on the balance sheet.

The following is a schedule of future minimum lease payments on this lease:

<u>Year</u>	<u>Amount</u>
2017	5,676
2018	5,676
2019	5,676
2020	5,676
2021	473
Total	<u>\$ 23,177</u>

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE G INCOME TAXES

The provision (benefit) for income taxes consists of the following:

Current	\$	-
Deferred		(49,664)
		(49,664)
		(49,664)

The 2016 net deferred tax accounts include the following amounts of deferred tax liabilities:

	Taxable Temporary Difference	Expected Tax Rate	Deferred Tax Asset (Liability)
<u>Current deferred tax liability</u>			
Federal	(711,723)	15%	(106,758)
State	(711,723)	5%	(35,586)
Total current net deferred tax asset (liability)			(142,345)
<u>Current deferred tax asset</u>			
Federal	431,969	15%	64,795
State	431,969	5%	21,598
Total current net deferred tax asset (liability)			86,394
Net current deferred tax asset (liability)			(55,951)
<u>Non-current deferred tax liability</u>			
Book/Tax depreciation difference			
Federal	(15,324)	15%	(2,299)
State	(15,324)	5%	(766)
Total non-current deferred tax liability			(3,065)
<u>Non-current deferred tax asset</u>			
Net operating/capital loss carryforwards			
Federal	393,453	15%	59,018
State	276,370	5%	13,819
Total non-current deferred tax asset			72,836
Net non-current deferred tax asset (liability)			69,772
Net deferred tax asset (liability)			13,821

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE G INCOME TAXES (continued)

The deferred tax liability results from differences in book and tax depreciation, accrual and tax method of accounting for income and expense, recognition of unrealized losses on securities and net operating loss carryovers as of December 31, 2016.

The Company has the following Federal carry forwards available at December 31, 2016:

Operating Loss Carryforwards	
Expires	Amount
2029	\$ 73,408
2030	4,515
2032	31,602
2035	7,558
2036	276,370
	<u>\$ 393,453</u>

A reconciliation of the difference between the expected income tax expense or income computed at the combined federal and state statutory income tax rates (20%) and the Company's income tax expense is shown in the following table:

Expected vs. Actual Reconciliation	
Estimated income tax expense	
Expected provision (benefit) [taxes on Federal income before taxes]	\$ (55,099)
Non-deductible expenses	3,048
Dividends received deduction	(2,198)
Other	8,105
Total actual provision (benefit)	<u>\$ (49,664)</u>

The Company has evaluated its tax positions for uncertainties and determined that any required adjustments would not have a material impact on the Company's statements of financial condition, operations, or statement of cash flows.

All years prior to 2013 are closed by expiration of the statute of limitations. The tax year ended December 31, 2013, will close by expiration of the statute of limitations in September 2017. The years ended December 31, 2013, 2014, 2015 and 2016 are open for examination.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

NOTE H PROPERTY & OTHER INTANGIBLES

Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years. Leasehold improvements are amortized over the economic useful life of the improvement. The major classes of assets as of the balance sheet date are as follows:

<u>Asset Class</u>	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Net Book</u>	<u>Method/Life</u>
Equipment	\$ 210,852	\$ 147,954	\$ 62,898	SL/5-7 years
Leasehold	12,212	4,274	7,938	SL/10 years
Total	<u>\$ 223,064</u>	<u>\$ 152,228</u>	<u>\$ 70,836</u>	

Depreciation expense was \$17,757 during 2016.

On June 7, 2016 the Company entered into a contract to purchase a book of business of a retiring broker. The Company made two initial installments of \$51,500 each in the months of June and July 2016 with the remaining balance to be paid in 60 equal monthly payments of \$6,866. The net present value of the promised 62 payments amounted to \$451,744. The asset is being amortized under the straight-line method over the 62 month period which approximates the estimated useful life.

<u>Asset Class</u>	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Net Book</u>	<u>Method/Life</u>
Intangible Assets	<u>\$ 451,744</u>	<u>\$ 51,123</u>	<u>\$ 400,621</u>	SL/62 mo

Amortization expense was \$51,123 during 2016. The following is a schedule of future amortization expense.

<u>Year</u>	<u>Amount</u>
2017	87,434
2018	87,434
2019	87,434
2020	87,434
2021	50,885
Total	<u>\$ 400,621</u>

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE I**      **NOTES RECIEVABLE – RELATED PARTY**

During 2014 the Company made two separate unsecured loans to the Company's President and majority shareholder. The amounts of the loans were \$30,000 each to be repaid with 48 monthly payments of principal and interest of \$698. Interest is being charged at a rate of 5.5%. At December 31, 2016 none of the 2016 payments were made. The loan was brought current and all 2016 payments were made on February 14, 2017. The outstanding principal and accrued interest balance for both loans at December 31, 2016 is \$41,383.

**NOTE J**      **NOTE PAYABLE**

The Company entered into a contract to purchase a book of business for \$515,000 with two initial payments of \$51,500 paid in June and July of 2016. The remaining balance of the obligation is to be paid in 60 equal monthly installments of \$6,866. No interest rate was stated in the contract however management determined that a discount rate of 6.5% would be used to determine the fair value paid for the book based on our incremental borrowing rate. As stated in NOTE H the net present value of these payments is \$451,744. The principal remaining balance under the contract at December 31, 2016 was \$325,816 with \$63,071 due within one year. The following is a schedule of principal payments due over the next five years.

<u>Year</u>	<u>Amount</u>
2017	63,071
2018	67,295
2019	71,802
2020	76,611
2021	47,037
Total	<u><u>\$ 325,816</u></u>

**NOTE K**      **NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the Rule, which requires that the Company maintain minimum net capital in excess of \$250,000. At December 31, 2016, the Company had net capital of \$953,720 which was \$703,720 in excess of its required net capital of \$250,000.

**FIRST WESTERN ADVISORS**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**NOTE L**      **PREFERRED AND COMMON STOCK**

As of December 31, 2016, there were 792,000 preferred shares issued and outstanding. The Series A Preferred Shares accumulate dividends at a rate of \$0.015625 per share per quarter, but are only payable upon declaration by the board of directors. The cumulative preferred dividends for the year ending December 31, 2016 were \$49,500. The Company paid \$49,500 in dividends during 2016. Undeclared, cumulative dividends as of December 31, 2016 were \$9,761. Dividends to other classes of stock are restricted until cumulative dividends are paid to Series A Preferred shares. The Series A Preferred Shares have liquidation preferences over other classes of stock up to the amount of \$1 per share.

**NOTE M**      **FAIR VALUE MEASUREMENTS**

ASC 820, Fair Value Measurement and Disclosures, defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. ASC 820 requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy as defined in the standard. The fair value hierarchy is defined into the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The following table provides our financial assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2016:

Description	Total Fair Value at December 31, 2016	Fair Value Measurements Using:		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Marketable securities	\$ 713,409	\$ 713,409	\$ -	\$ -

**NOTE N**      **SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through March 1, 2017, the date the financial statements were available to be issued, and has concluded that no recognized or non-recognized subsequent events have occurred since its fiscal year ended December 31, 2016.

**FIRST WESTERN ADVISORS**  
**Computation of Net Capital**  
**For the Year Ended December 31, 2016**

Net Capital		
Total stockholders' equity	\$	1,455,459
Deduct stockholder's equity not allowable for net capital	\$	-
Total stockholders' equity qualified for net capital	\$	1,455,459
Add:		
Subordinated borrowings allowable in computation of net capital	\$	-
Other (deductions) or allowable credits:		
Deferred income taxes payable	\$	-
Fixed liability secured by equipment	\$	262,745
Total capital and allowable subordinated borrowings	\$	1,718,204
Deductions and/or charges:		
Nonallowable assets:		
Prepaid income taxes	\$	-
Furniture, equipment, and leasehold improvements, net	\$	(70,836)
Deferred tax asset	\$	(69,772)
Other Assets	\$	(483,196)
Net capital before haircuts on securities positions	\$	1,094,400
Haircuts on securities		
Securities collateralizing secured demand notes	\$	-
Trading and investment securities	\$	(140,680)
Net capital	\$	953,720
Aggregate indebtedness		
Items included in statement of financial condition:		
Payable to brokers and dealers	\$	318,027
Other accounts payable and accrued expenses	\$	167,718
Total aggregate indebtedness	\$	485,745
Computation of basic net capital requirement		
Minimum net capital required	\$	32,380
Minimum net capital requirement	\$	32,380
Net capital requirement (statutory)	\$	250,000
Excess net capital	\$	703,720
Excess net capital at 1500%	\$	880,859
Excess net capital at 1000%	\$	905,146
Ratio: Aggregate indebtedness to net capital		.51 to 1

See auditor's report on supplementary information

**FIRST WESTERN ADVISORS**  
**Report of Reconciliation with Focus Filing**  
**For the Year Ended December 31, 2016**

Net Capital, as reported in Company's Part II (Unaudited) Focus Report	\$ 1,091,596
Adjustment for book purchase, net non-allowable asset purchased	\$ (137,876)
Differences due to offsetting various asset accounts against related liabilities	\$ -
Audit Adjustments to record additional compensation	\$ -
Other audit adjustments (net)	\$ -
Other items (net)	\$ -
Net Capital per the preceding	<u>\$ 953,720</u>

See auditor's report on supplementary information

**FIRST WESTERN ADVISORS**  
**Schedule of Computation for Determination of Reserve Requirements**  
**Pursuant to Rule 15c3-3**  
**For the Year Ended December 31, 2016**

The Company is exempt from the provisions of Rule 15c3-3 (per Paragraph K (2) (ii)) under the Securities Exchange Act of 1934, as a broker or dealer which carries no customers' accounts and does not otherwise hold funds or securities of customers and therefore makes no computation for determination of reserve requirements pursuant to the rule.

**FIRST WESTERN ADVISORS**  
**Information Relating to the Possession or Control Requirements**  
**Pursuant to Rule 15c3-3**  
**For the Year Ended December 31, 2016**

The Company is exempt from the provisions of Rule 15c3-3 (per Paragraph K (2) (ii)) under the Securities Exchange Act of 1934, as a broker or dealer which carries no customers' accounts and does not otherwise hold funds or securities of customers and retains no possession or control of such. The Company therefore has no information to report relating to the possession or control requirements under Rule 15c3-3.

See auditor's report on supplementary information



## Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders  
First Western Advisors  
Salt Lake City, Utah

We have reviewed management's statements, included in the accompanying First Western Advisors' Exemption Report, in which (1) First Western Advisors identified the following provision of SEA Rule 15c3-3(k) under which First Western Advisors claimed an exemption from Rule 15c3-3 paragraph (k)(2)(ii) (the "exemption provision") and (2) First Western Advisors stated that First Western Advisors met the identified exemption provision throughout the most recent fiscal year except as described in its exemption report. First Western Advisors' management is responsible for compliance with the exemption provision and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the First Western Advisors' compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*BDO USA, LLP*

BDO USA, LLP  
Salt Lake City, Utah  
March 1, 2017

## First Western Advisor's Exemption Report

First Western Advisors is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240. 17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240. 17a-5(d) (1) and (4). To the best of its knowledge and belief the Company states the following:

First Western Advisors claims an exemption from 17 C.F.R. §240. 15c3-3 under the following provisions of 17 C.F.R. §240. 15c3-3 (k)(2)(ii): Where First Western Advisors is an introducing broker dealer who clears all transactions with and for customers on a fully disclosed basis with a clearing broker dealer (National Financial Services.) National Financial Services maintains and preserves books and records pertaining thereto pursuant to the requirements of §§240. 17a-3 and 240. 17a-4, as are customarily made and kept by a clearing broker or dealer.

First Western Advisors met the exemption provision 17 C.F.R. §240. 15c3-3 (k)(2)(ii) through its entire fiscal year, with one exception:

A customer check was inadvertently locked in a secondary secure location and held in our office on October 4<sup>th</sup>, 2016 for 4 business days. When the cashier realized this, the check was promptly forwarded to the clearing broker dealer, and management was immediately notified. The amount of the check was \$300.

I, Gary Teran, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.



Gary Teran

Chief Executive Officer  
First Western Advisors

3-1-2017  
Report Date



## Independent Accountant's Report

To the Board of Directors of First Western Advisors,  
Holladay Office  
3165 East Millrock Drive, Suite 340  
Holladay, UT 84121

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by First Western Advisors (the "Company") and the Securities Investor Protection Corporation ("SIPC") with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of the Company for the year ended December 31, 2016, solely to assist you and the SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States) and the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries.

We noted no differences as a result of the procedures.

2. We compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2016, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2016.

We noted no differences as a result of the procedures.

3. We compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers.

We noted no differences as a result of the procedures.

4. We recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments.

We noted no differences as a result of the procedures.

5. We compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed.

We noted no differences as a result of the procedures.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to and should not be used by anyone other than these specified parties.

*BDO USA, LLP*

BDO USA, LLP  
Salt Lake City, UT  
March 1, 2017